

Message Text

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ACTION NSF-02

INFO OCT-01 EUR-12 ISO-00 ABF-01 FS-01 OES-03 RSC-01 SSO-00

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O R 150935Z NOV 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 1189

INFO AMCONSUL ZAGREB

LIMITED OFFICIAL USE SECTION 1 OF 2 BELGRADE 5753

PASS NAT'L SCIENCE FOUNDATION ATTN: ZALER; EUR/EE FOR AMB TOON

E.O. 11652: N/A

TAGS: OSCI, YO

SUBJ: SFCP/US-YUGOSLAV BOARD MEETING ON NSF

PROJECT QUALITY OF ELECTRICAL ENERGY (QEE)

REF: STATE 229046

1. SUMMARY: YUGOSLAVS DECLINED SIGN DECISION DOCUMENT DESCRIBED REFTTEL PARA 2 BUT AGREED TO SUCH TEXT VERBALLY AND INDICATED POSSIBLE WILLINGNESS COVER POINTS IN WRITING, IN EXCHANGE OF LETTERS PERHAPS. IN THREE-HOUR DISCUSSION OF BLOCKAGE FUNDS AND INFRINGEMENT OF AUTHORITY ON PRINCIPAL INVESTIGATOR (PI), PIRKMAJER CONCEDED INSTANCES OF SEEMING IRREGULARITIES BY GRANTEE, BOTH IN BLOCKING FUNDS AND IN TREATMENT PI, BUT PLEADED LACK OF FULL INFORMATION ON REASONS FOR GRANTEE'S ACTIONS. PIRKMAJER GAVE CATEGORICAL ASSURANCES THAT ROLE OF VARIOUS GROUPS IN PROJECT PURELY ADVISORY AND THAT KRANJC'S ROLE AS PI UNIMPAIRED. IT WAS AGREED TO CONTINUE CONSIDERATION OF SUBJECT AT JOINT BOARD MEETING NOV 19-21, 1974. ATMOSPHERE OF MEETING WAS CORDIAL, ALTHOUGH U.S. SIDE FIRM IN PRESENTING POINTS. END SUMMARY

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2. YUGOSLAV SIDE REPRESENTED BY PIRKMAJER AND SUTLOVIC. RELJIC DID NOT APPEAR. OPENING STATEMENTS BY PIRKMAJER AND YORK EXPRESSED SUPPORT FOR STRENGTHENING US-YUGOSLAV TIES IN FIELD OF SCIENTIFIC-TECHNICAL COOPERATION AND DESIRE THAT QEE CONTINUE TO SUCCESSFUL COMPLETION. MILLS REVIEWED HISTORY OF BLOCKAGE OF FUNDS BY GRANTEE, BEGINNING APRIL 1974 TO PRESENT. BLOCKAGE INCLUDED SALARIES OF PI AND OTHERS AS WELL AS OTHER LEGITIMATE PROJECT EXPENSES. IN RESPONSE, PIRKMAJER FIRST SOUGHT ANOLOGY WITH OTHER PROJECTS APPROVED BY JOINT BOARD BUT NOT PAID. WHEN THIS REASONING FAILED, HE SUGGESTED GRANTEE MAY HAVE HAD GOOD REASON TO BLOCK FUNDS, ALTHOUGH HE DID NOT KNOW THOSE REASONS. HE WAS AMBIVALENT IN RESPONSE TO FIRM U.S. STATEMENT THAT SUCH BLOCKAGE NOT WITHIN AUTHORITY GRANTEE, CONCEDING ONLY THAT GRANTEE SHOULD HAVE CONSULTED BOARD OR FUNDING AGENCIES BEFORE BLOCKING. HE STATED, HOWEVER, THAT MONEY WAS NOW UNBLOCKED AND FREELY AVAILABLE TO PROJECT UP TO AMOUNT OF WHAT REMAINED OF 1973 EMERGENCY RELEASE.

3. CONCLUDING DISCUSSION OF FUNDING, U.S. SIDE SAID IT CONSIDERED MONEY STILL UNILATERALLY BLOCKED UNTIL PI SALARY PAID (DTHIS BEING A SPECIFIC INSTANCE OF BLOCKAGE KNOWN TO EMBASSY). PIRKMAJER INSISTED HE UNABLE ASSURE PAYMENT PI SINCE THIS WAS INTERNAL MATTER OF FACULTY ENGINEERING IN SENSE THAT GRANTEE AND PI HAD CONTRACTUAL RELATIONSHIP INVOLVING USE OF FACULTY FACILITIES, ETC. HE ADAMANT IN THIS POSITION EVEN WHEN YORK POINTED OUT THAT JOINT BOARD PROVIDED FOR PAYEMTN PI SALARY, THAT GRANTEE IN EFFECT OVER-RULED BOARD, AND THAT PI SALARY IS BUDGET ITEM IN PROJECT.

4. MILLS REVIEWED QUESTION OF INFRINGEMENT OF AUTHORITY OF PI, POSING QUESTIONS ABOUT ROLE OF PROJECT COUNCIL, PROPOSED NEW PROJECT DIRECTOR, AND RECENTLY FORMED FACULTY COMMITTEE TO "ADVISE" ON TECHNICAL ASPECTS OF QEE. PIRKMAJER INSISTED THAT NONE OF THESE PERSONS OR GROUPS HAD DECISION ROLE IN CONDUCT OF PROJECT, BUT WERE PURELY ADVISORY ON ADMINISTRATIVE LIMITED OFFICIAL USE

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TIVE. QUERIED ABOUT GRANTEE FAILURE TO RENEW PI CONTRACT FOR QEE IN JULY, PIRKMAJER CONCEDED ONLY THAT GRANTEE SHOULD HAVE INFORMED BOARD OF FAILURE RENEW PI CONTRACT. U.S. SIDE REJECTED CONCEPT THAT GRANTEE COULD UNILATERALLY TERMINATE PI.

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ACTION NSF-02

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O R 150935Z NOV 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 1190

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5. U.S. SIDE THEN PROPOSED SIGNING DECISION DOCUMENT
READING QUOTE AT THE REQUEST OF THE UNITED STATES
GOVERNMENT, THE US-YUGOSLAV JOINT BOARD ON SCIENTIFIC
AND TECHNOLOGICAL COOPERATION MET IN AN EXTRA-
ORDINARY SESSION ON NOVEMBER 13, 1974, IERSUANT TO
THE US-YUGOSLAV AGREEMENT OF MAY 18, 1973, TO
DISCUSS THE JOINT PROJECT ENTITLED "QUALITY OF
ELECTRICAL ENERGY." PARA. THE JOINT BOARD AGREED
ON THE FOLLOWING: PARA. 1. THE PROJECT "QUALITY
OF ELECTRICAL ENERGY" SHALL CONTINUE UNDER THE
SOLE DIRECTION OF PRINCIPAL INVESTIGATOR PROFESSOR,

R. FRANCE KRANJC WHOSE AUTHORITY IS DEFINED IN
PARAGRAPH 9 OF THE JOINT BOARD DECISION DOCUMENT
OF MAY 8, 1974. PARA. 2. EXCEPTING ONLY PROJECT
WORKERS AND OTHERS WHO ARE ALSO SUBORDINATE TO THE
PRINCIPAL INVESTIGATOR, ANY PERSONS OR
GROUPS ASSIGNED RESPONSIBILITIES FOR THE PROJECT
QEE MAY EXERCISE THOSE RESPONSIBILITIES ONLY AFTER
THEY ARE APPROVED IN WRITING BY THE JOINT BOARD.
PARA 3. THE ADVICE OF ADVISORY GROUPS IS NOT
BINDING ON THE PRINCIPAL INVESTIGATOR. END QUOTE
YUGOSLAVS DECLINED ON GROUND THAT THIS TEXT (PARA 1)
SUGGESTED THAT REPLACEMENT OF PI HAD BEEN CONSIDERED
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AT MEETING AND (PARAS 2 AND 3) THAT IT RAISED SUSPICION THAT PROSCRIBED ACTIVITIES MIGHT HAVE OCCURRED. PIRKMAJER INDICATED POSSIBLE WILLINGNESS PUT CONTENT PARAS 1-3 SAME TEXT INTO EXCHANGE OF LETTERS AND WAS AGREED PURSUE THIS POSSIBILITY AT REGULARLY SCHEDULED BOARD MEETING.

6. IN RESPONSE TO YORK QUERY WHETHER THERE IS ANY QUESTION AT ALL ABOUT KRANJC CONTINUING AS PI, PIRKMAJER ANSWERED "NOT AT THIS TIME," AND "THERE IS NO QUESTION ABOUT KRANJC."

7. EMBASSY HAS GOOD REASON TO BELIEVE THIS RESPONSE BY PIRKMAJER NOT ACCURATE. KRANJC REPORTED TO SCIATT ON NOVEMBER 8 THAT FACULTY COMMITTEE MET NOVEMBER 6 TO CONSIDER KRANJ SUITABILITY TO CONTINUE AS PI FOR QEE, AND CONCLUDED KRANJC SHOULD BE REPLACED ON GROUNDS HE LACKS TECHNICAL COMPETENCE CARRY OUT PROJECT. ON NOVEMBER 12 KRANJC INFORMED SCIAT THAT GRANTEE, AT MEETING NOVEMBER 12 WITH KRANJC, PIRKMAJER, OSREDKAR (DIRECTOR OF JOSEF STEFAN INSTITUTE) AND MARKO BULC (FORMER MEMBER OF FEC, SFRY) INFORMED KRANJC THAT HE WAS TO BE REPLACED AS PI (BY A PROF. PAVELE) AND HANDED KRANJC COPY OF RECOMMENDATIONS TO THIS EFFECT PREPARED BY SIX-MAN COMMITTEE.

8. WHEN YORK SAID MILLS HAD REPORT THAT KRANJC MIGHT BE FIRED BY GRANTEE, PIRKMAJER NEITHER CONFIRMED NOR DENIED, BUT RESPONDED WITH VAGUE REFERENCE TO TROUBLES BETWEEN GRANTEE AND PI.

9. U.S. SIDE INDICATED QUESTION AUTONOMY OF PI CAUSE FOR GREAT CONCERN AMONG OUR PRINCIPALS. U.S. AVOIDED QUOTING KRANJC DIRECTLY OR QUOTING DOCUMENTS SUPPLIED US DIRECTLY BY KRANJC OUT OF CONCERN FOR POSSIBLE REPERCUSSIONS TO HIM.

10. YUGOSLAV SIDE SAID IT MAY PROPOSE AMENDMENT TO PROJECT TO INCLUDE GOALS IN ADDITION TO TRANSIENT LIMITED OFFICIAL USE

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OVER-VOLTAGES. SCIATT REVIEWED HISTORY OF PROJECT AND SAID IT VERY UNLIKELY THAT ANY SIGNIFICANT CHANGE WOULD BE ACCEPTED BY NSF AT THIS LATE DATE.

11. MEETING CONCLUDED WITH SIGNING OF FOLLOWING DECISION
DOCUMENT. QUOTE: THE JOINT BOARD DISCUSSED THE
PROJECT "QUALITY OF ELECTRICAL ENERGY", ITS FINANCING
AND DIRECTION, AND ITS PRESENT STATUS. PARA. BOTH
SIDES EXPRESSED SUPPORT FOR THE CONTINUATION OF THE
PROJECT. PARA. THE YUGOSLAV SIDE NOTED THAT IT MAY
MAKE A PROPOSAL FOR AMENDMENT OF THE PROJECT. PARA.
IT WAS AGREED TO CONTINUE THE DISCUSSION OF THE PROJECT
AT THE NEXT JOINT BOARD MEETING IN WASHINGTON, NOVEMBER
19-21, 1974. END QUOTE
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